



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

Vol. 142

WASHINGTON, THURSDAY, MAY 23, 1996

No. 74

House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mr. WALKER].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 23, 1996.

I hereby designate the Honorable ROBERT S. WALKER to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

When we contemplate the wondrous gifts that we have received from Your hand, O God, and marvel in the ways that Your spirit makes us whole, we know that we are not adequate to return the blessing to You. Yet, O gracious God, we understand that in a spirit of thankfulness, we can celebrate Your love to us by serving those about us with deeds of justice and acts of mercy. May we clearly see that in assisting others in their concerns and leading in the ways of security and peace for every person, we are serving You, our God, our Creator, and Redeemer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New York [Mr. SCHUMER] come forward and lead the House in the Pledge of Allegiance.

Mr. SCHUMER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that 1-minute will be held after the close of legislative business on this day.

EMPLOYEE COMMUTING FLEXIBILITY ACT OF 1996

The SPEAKER pro tempore. The unfinished business is the further consideration of the bill (H.R. 1227) to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer owned vehicles.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of Wednesday, May 22, 1996, 1 hour of debate remains on the bill. The gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Missouri [Mr. CLAY] will each control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Since our gentle debate has strayed from the base bill, which is what we were supposed to be debating for these 90 minutes, I suppose I will join the crew and stray also.

I would say that from what I have heard thus far, it would appear that we are following the big lie phenomena: "If you tell the big lie enough times, you will eventually begin to believe it yourself." And then, "If you tell it some more, you eventually get others to believe it."

If we have agreed, or do by the time the day is over, that we should increase the minimum wage, then it seems to me it is time to turn our attention to the whole idea of job loss and what that problem presents to the most vulnerable, the unskilled, the poorly educated, the teens, and the senior citizens.

Now, that gets us to the big lie issue, because we will hear over and over again that raising the minimum wage does not cause unemployment or does not remove the possibility that people with few skills and little education have when they try to get a job. But yet we are told by the Congressional Budget Office that a 90-cent increase could produce unemployment losses from 100,000 to 500,000 people.

A 1995 study by the University of Michigan and an economist there revealed that New Jersey's minimum wage increase led to a 4.6-percent reduction in employment.

A 1995 report from the University of Chicago and Texas A&M University found that with the last increase in the minimum wage, employment of teenage males fell 5 percent while employment of teenage women fell 7 percent.

In 1978, the Minimum Wage Study Commission determined that for every 10 percent increase in the minimum wage, it results in a 1- to 3-percent job loss for teenagers.

A 1995 study by economists from Ohio University found a link between the

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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minimum wage increases and the recessions of 1990-91 and 1974-75. Further, the study determined that higher unemployment rates during the recession of 1990-91 and 1974-75 explained why, over the past two decades, the poverty rate rose in the year after the completion of each minimum wage increase.

So, again, I think it is time to stop indicating that there are no problems for thousands of people in this country when we talk about a minimum wage increase.

So what do we do about that? Well, we do the same thing we have done every time we have had a minimum wage increase, we go back and do what we can possibly do to make sure that those, in this case, 100,000 to 500,000, are not without employment. And so we look at those ways, as we did in the past.

In the past we had a small business exemption. Well, when we talk about a small business exemption we have to understand that every other major workplace policy statute contains an exemption for our Nation's smallest business. Consider the Civil Rights Act of 1964. It exempts businesses with less than 15 employees. The Americans With Disabilities Act exempts businesses with less than 15 employees. The Family and Medical Leave Act exempts those with less than 50 employees.

The overwhelming majority of businesses who have \$500,000 or less in gross annual sales have 10 or less employees. They are a ma-and-pa program. Virtually every Democrat Member of the House have supported exemptions for our Nation's smallest businesses from a wide variety of labor statutes. Remember ADA, FMLA and the Civil Rights Act?

Again, providing an exemption for small business is not a new concept, many of its opponents today have supported that concept in the past. So we look at that as one possibility to help those who may be unemployed because of the increase.

We continue the tip credit provision which is in the present law; we continue the present laws that relate to computer professionals; and we reinstitute the opportunity wage, but this time we limit it to 90 days; calendar days. We do not have two periods of 60 working days.

So I would hope as we proceed today that we spend a great deal of time talking about facts rather than fantasies, and by the time we are finished, hopefully, we will have helped all Americans, including that 100,000 to 500,000 that could find themselves in real difficulty if we do not make some of the decisions that we have made in the past when dealing with minimum wage increases.

Mr. Speaker, I reserve the balance of my time.

Mr. CLAY. Mr. Speaker, I yield 2½ minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Missouri for yield-

ing me this time, and I rise to oppose strongly the Goodling amendment and to talk about its effect on the underlying bill.

Today we were supposed to vote on a bill to increase the minimum wage by 90 cents and to pay working families a living wage. We were going to raise the minimum wage from its lowest level in 40 years. And what do the American people wake to this morning? The Goodling surprise, an amendment which says that any business with annual sales of under \$500,000 is exempted from the Fair Labor Standards Act.

In other words, if an individual happens to be one of the 10.5 million Americans who work in these small businesses, they do not have to get paid overtime; they do not earn the minimum wage. Not the old one or the new one.

In my region, the New York City metropolitan area, over 130,000 businesses will be exempt from fair labor laws and 200,000 workers will be left unprotected.

The minimum wage vote should be called the Gingrich two-step. Take one step forward by raising the minimum wage for some people, take two giant steps back by exempting millions from overtime and minimum wage laws all together.

Why must the GOP continue to gratuitously slap American workers? Why did they break their promise to offer a clean minimum wage increase? The only answer must be, as the gentleman from Texas, Majority Leader DICK ARMEY, stated, that they oppose the minimum wage with every fiber in their being, and they will raise it but they will exact their pound of flesh from American workers.

This mean-spirited assault on those who work every day and barely eke out a living wage is horrid. These people work in textiles, in retail, on farms. They work hard, they deserve a raise, not to be punished because the gentleman from Georgia, NEWT GINGRICH, will do anything to keep minimum wage from happening.

Now, if the Goodling amendment passes, the President, thankfully, has said he will veto the bill, and I am sure there is a little nefarious plan out here: Goodling will pass, the President vetoes the bill, nothing happens, and the Republicans say we have tried.

But let me assure my colleagues that from this side of the aisle, until there is a minimum wage increase for all Americans, not one out of two or one out of three, we will be on this floor every week and every month to make sure that the minimum wage passes. The Republicans cannot and will not avoid a clean minimum wage increase with this kind of cheap trick.

Mr. GOODLING. Mr. Speaker, I would remind the gentleman from New York that unless we make some changes, New York will face a loss of 29,000 jobs.

Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas, Congressman HUTCHINSON.

Mr. HUTCHINSON. Mr. Speaker, I just wonder where all of this passion was 2 years ago when Democrats controlled this Chamber, controlled the other Chamber and controlled the White House. Not once, not once, was a minimum wage proposal brought up before the full House, before a committee, or before a subcommittee. What we are seeing now is rhetoric. What we are seeing is election year politics.

I rise to oppose increasing the minimum wage, not because I do not want to help working Americans, but because I do want to help them. We know, we know, that raising the minimum wage will kill jobs. It will take opportunities away from those who we claim we want to help the most.

I point to Melody Rane and her family who own two Burger King franchises in Eureka, CA. A minimum wage hike will force her to lay off four full-time and eight part-time workers at her stores. She will also be forced to raise her prices, which will hurt everyone, especially the working poor, whom we claim that we have compassion for.

According to Melody, raising the minimum wage will hurt teens more than anyone else she employs because she will no longer be able to provide entry-level jobs for them. The young people that she has hired have not stayed on at minimum wage for very long. They learn their jobs and they move up quickly. All her managers started at minimum wage and her top manager today has been with them since he was 16 years old.

We know that raising the minimum wage is a job killer on the most vulnerable people in our society. A 1993 study by the American Economics Association of over 22,000 economists found that 77 percent of them said that if we raise the minimum wage, there will be significant job loss in our economy.

We know it is inflationary, because if they do not lay them off, they have to raise the price of their goods and services, and that disproportionately impacts poor people who are going to have to pay more for those products that they buy.

Raising the minimum wage is the poorest way to target working poor people. The last time we raised the minimum wage, in 1991, only 17 percent of the new benefits went to people living below the poverty line. Most of them are teenagers living at home with mom and dad. Only 17 percent went to those who are working poor.

Now, I suggest to my colleagues that there is a better way. If we really care about working poor people, there is a better way to do it. I propose that we reform and we refocus and we retarget the earned income tax credit, a program that has enjoyed support from the 1970's on from both sides of the aisle.

□ 0915

This time from GINGRICH to GEPHARDT, they support EITC, but the program is fraught with abuse. It has